

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 424 - HB 811

March 10, 2021

SUMMARY OF ORIGINAL BILL: Decreases, from 90 to 60 days after the end of the fiscal year, the time in which the Department of Revenue (DOR) must adjust the base tax revenues of the Tourism Development Zone.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004392): Deletes all language after the enacting clause except the effective date clause. Increases, from 0.25 percent to 0.50 percent, the fee authorized to be charged by metropolitan governments on services and goods sold within central business improvement districts within tourism development zones.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue - \$2,124,600/FY21-22 and Subsequent Years/Davidson County

Assumptions for the bill as amended:

- Currently, Davidson County is the only metropolitan government imposing the fee. The fee imposed is at the maximum authorized rate of 0.25 percent. In FY19-20, total collections from this fee were \$2,124,570.
- The first \$50,000 of the fee collected is deposited into the state General Fund; the remainder of the fee is deposited into the Event and Marketing Fund of Davidson County.
- Davidson County will adopt the proposed maximum fee of 0.50 upon passage of this legislation. The first year impacted will be FY21-22.
- Doubling the current fee will result in a recurring permissive increase in local revenue to Davidson County in the amount of \$2,124,570.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

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